



Simplifying Tag Issues through Registration and Verification

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Why Buy a Tag?

Electricity Markets: Wholesalers and Retailers to meet consumer demand for green electricity products--

- in a competitive market
- utilities with Green Pricing Programs
- utilities with Renewable Portfolio Standards
- utilities with Emissions Portfolio Standards

Non-electricity Markets:

- emissions trading programs
- no green electricity product available
- other corporate or individual, such as PR



The Question

What is necessary to establish market acceptance of tags?

Market needs sufficient--

- understanding of the tag product;
- information about what is purchased; and
- confidence in the System

--to conclude that buying the tag product meets the buyers' varied reasons for buying the tag product.



Must We Answer the Other Questions?

Who creates and owns a tag?

Which tags may be sold?

May tags be further unbundled?

What are the environmental impacts of tag purchase?

What information must be disclosed?

Who has jurisdiction to regulate?

May tags be used for than one purpose?

Only Universal Law or Consensus can answer.

Programs can answer for their purposes.



Bundled Green Energy and Attributes

Energy and green attributes are sold together as renewable electricity--

-- we know or can find out what we need to know:

Who: owns it? Original generator or buyer

What: is behind it? resource, attributes

When: is the electricity generated/dispatched?

Where: generated and where used?

The Answer: The ISO (or control area) keeps records and satisfies market sufficient to sell product.



Energy and Tag Unbundled

What Changes?

Energy: Nothing. Everything about the energy is the same: The ISO still records who generated or bought, where and when it was generated, dispatched and used, and can identify information about the generation.

Attributes: Besides fact of tag, only small changes: The ISO does not track the attribute. It has info to establish the tag (fact of generation) but does not. It has no information beyond its system; no ability to record secondary sales of tag or geographic source from or to location beyond its system.



Is this totally new?

No- Tag sales are already happening without “system.”
Market is limited and uncertain. That’s what we
address.

No--Electricity presently is unbundled into energy and
capacity.

title to capacity not questioned

separately traded

Rules, Programs, Markets for capacity vary



The Substantive Vacuum to Fill

To record and track the info that the ISO does not:

- fact of tag

- facts behind the tag

- secondary sales of tag

- geographic source from or to location beyond its system.

To verify and certify what the ISO cannot:

- that the tag is what it says it is

- that the buyer owns the tag

- that no one else claims the tag



Fill Only the Vacuum

An information system:

must be available and sufficiently accessible to meet all of these requirements.

A verification/certification system:

to assure accuracy and credibility.

REGISTER TRACK VERIFY CERTIFY
DATABASE

BUT WHO WILL PROVIDE IT?



Why Not the ISO?

The ISO could provide these services:

- some new info; expansion of existing services
- interest? The ISO manages energy market and reliability, not public or private information
- expertise? The ISO has no green perspective
- membership support?
- required to do so?

The ISO still would need a way to address transactions from and to beyond their system and get the info they don't have.



Why Not the Government?

The government could provide these services:

Policy commitment?

Political commitment?

Is it efficient administrator?

How long would it take?

Is that what the government wants to do?

DOE? EPA? FERC?



Why Not the Program?

Programs reflect multiple markets, multiple purposes,
and multiple regions

Programs answer the Other Questions in different ways:
Renewable Portfolio Standards; Utility Green Pricing
Emissions Portfolio Standards; Emissions Trading
Consumer disclosure requirements; Anti-fraud
Competitive electricity markets

Can a system designed for one region serve the needs
of another?

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One System, Multiple Uses

A System that is Program and Region neutral is simpler, more effective, less redundant.

The tag is the tag. The System keeps the information that consumers or programs require. The System can get any other information available.

System addresses only the issues that result from use of tags, not those that are the same related to competitive markets, consumer protection, the environment, or regulation generally.



More than One System?

Complexity inhibits market. Leave complexity “behind” the tag. Let a Program say which tags qualify for its purposes. Let a Rule say what info to disclose for its purposes.

Competing Systems? Not preferable, but not a problem.

- both have incentive to be fully credible
- each must cooperate with other to be seamless